

The complaint

Mr B is unhappy that Cynergy Bank Plc gave him incorrect information when he called to discuss a potential ISA transfer with them.

What happened

On 27 January 2023, Mr B invested £59,193.19 into a one-year fixed-rate cash ISA ("FRISA") with Cynergy. The FRISA benefitted from an interest rate of 3.50% and its terms included a penalty for early withdrawal equivalent to 180 days' accrued interest.

On 2 November 2023, before the one-year term of the FRISA had matured, Mr B called Cynergy and discussed transferring his FRISA balance to a new Cynergy Online ISA ("OISA") which offered an interest rate of 5.07%.

During the call, Mr B asked Cynergy's agent how much interest he'd earned on his FRISA to date, and was incorrectly told that he had earned £2,083.11, which was the amount that he would have earned had he left his money in the FRISA for the full one-year term. Mr B should have been told by Cynergy's agent that he'd earned £1,606.32 to date on his FRISA.

Cynergy's agent also explained the early withdrawal penalty to Mr B, which was £1,021.69, equivalent to 180 days of accrued interest. And Cynergy's agent incorrectly told Mr B that if he chose to move his money from the FRISA to the OISA that he would receive a total of £60,254.61 – based on the incorrect interest accrued to date amount of £2,083.11 – when the correct total amount that Mr B should have been advised of was £59,777.82.

Based on the incorrect information he was given by Cynergy's agent, Mr B made the decision to proceed with the transfer. But Mr then saw that his new OISA had only been credited with £59,777.82, rather than with the £60,254.61 he'd been told he would receive – a difference of £476.79. So, he raised a complaint.

Cynergy responded to Mr B and explained that the transfer to the OISA had been completely correctly, with Mr B having received the amount into the OISA that he should have received, based on the interest he'd accrued on the FRISA to the date of the transfer and the correct application of the early withdrawal penalty.

However, Cynergy apologised to Mr B for being given incorrect information by their agent on the telephone and offered £150 compensation to him for any trouble and upset he may have incurred. And Cynergy offered a further £150 compensation to Mr B for not registering his complaint about what happened in the first instance. Mr B wasn't satisfied with Cynergy's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they noted that information about the amount of interest accrued to date on the FRISA had been available to Mr B on Cynergy's online banking platform, which Mr B had accessed around the time that he'd enquired about the transfer to the OISA.

Because of this, they felt that Mr B should reasonably have been aware of that amount of

interest his FRISA had earned at the time he instructed the transfer to the OISA, and so didn't uphold the complaint. Mr B didn't agree with the view of this complaint put forward by our investigator, so the matter was escalated to an ombudsman for a final decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I issued a provisional decision on this complaint on 29 July 2024 as follows:

Cynergy have explained that they feel that Mr B should reasonably have been aware of how much interest his FRISA had earned to date when he sought to open the OISA on 2 November 2023, because that information was available to him on Cynergy's online banking platform, which Mr B had accessed around that time.

Mr B doesn't agree, and notes that as an elderly gentleman he'd called Cynergy to better understand the specifics of transferring his ISA and that he'd depended on the information given to him by Cynergy's agent when making his decision to go ahead with the transfer. And Mr B also explained that had he been given the correct information about the transfer by Cynergy's agent, that he wouldn't have proceeded with the transfer.

Upon consideration, I find Mr B's testimony to be persuasive here. Ultimately, I feel that it was reasonable for Mr B to have relied on the information he was given on the phone by Cynergy's agent and to have based his decision to transfer to the OISA on that information. And I also accept that Mr B wouldn't in all likelihood have chosen to proceed with the transfer had he been given accurate information by Cynergy's agent.

When a business has made a mistake, as I feel that Cynergy have here, this service seeks to return the affected complainant to the position they should be in, had the mistake never occurred.

In this instance, if Cynergy's agent hadn't given incorrect information to Mr B, I'm satisfied that Mr B wouldn't in all likelihood have transferred his FRISA to the OISA but would have kept the FRISA to the end of the one-year term. And I also note that, at the end of the FRISA term on 27 January 2024, Mr B could have transferred the matured balance of his FRISA – which would have been £61,276.30 – to an OISA at that time, with my understanding being that Mr B could still have obtained the same 5.07% interest rate on the OISA at that time.

As such, my provisional decision is that I uphold this complaint in Mr B's favour and provisionally instruct Cynergy to restructure Mr B's ISA so that it's as it should be had the transfer to the OISA in November 2023 never occurred and had the FRISA ran to maturity in January 2024, and had Mr B transferred his matured FRISA balance to an OISA at the point of FRISA maturity (this includes amending the term end date of Mr B's OISA accordingly).

In their response to Mr B's complaint, Cynergy offered £150 compensation to Mr B for the provision of incorrect information to him, and a further £150 compensation for not registering his complaint as they should have when Mr B first tried to raise it with them. These compensation payments feel fair to me, given what happened here, and so my provisional decision also includes that Cynergy must pay this £300 total compensation to Mr B.

Mr B responded to my provisional decision and confirmed his acceptance of it. Cynergy also responded and explained that they don't agree with my provisional decision, albeit for reasons they've already explained to this service and which I've already considered.

Given that Mr B transferred from one Cynergy ISA product to another Cynergy ISA product, I find Cynergy's insistence that Mr B should bear the financial cost of his instructing an ISA transfer which was less financially beneficial for him than allowing his existing ISA to mature before then transferring to the new ISA – especially given the incorrect information given to Mr B on the telephone by Cynergy's agent – to be somewhat perplexing.

And I continue to feel that Mr B did, as an elderly customer, most likely rely on and act upon the incorrect information given to him by Cynergy's agent when instructing the ISA transfer when he did – even in consideration of any information that Mr B may have been able to view online.

I also feel that if Cynergy's agent had given Mr B the correct information on the telephone, as should have been the case, that Mr B wouldn't likely have instructed the transfer that he did but would have allowed his FRISA to run to term.

All of which means that I continue to feel that the outcome I described in my provisional decision above represents a fair resolution to this complaint. And I therefore confirm that my final decision is that I uphold this complaint in Mr B's favour on that basis accordingly.

Putting things right

Cynergy must restructure Mr B's ISA so that it's as it should be had the transfer to the OISA in November 2023 never occurred, and had the FRISA ran to maturity in January 2024, and had Mr B transferred his matured FRISA balance to an OISA at the point of FRISA maturity.

This includes amending the term dates of Mr B's OISA accordingly.

Cynergy must also pay £300 compensation to Mr B.

My final decision

My final decision is that I uphold this complaint against Cynergy Bank Plc on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 17 September 2024.

Paul Cooper
Ombudsman